

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

In Re: MIRAPEX PRODUCTS) File No. 07-MD-1836
LIABILITY LITIGATION.) (JMR/FLN)
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BEFORE THE HONORABLE FRANKLIN L. NOEL
UNITED STATES MAGISTRATE JUDGE

**(PLAINTIFF'S MOTION TO AMEND COMPLAINT
and ADD CLAIMS FOR PUNITIVE DAMAGES)**

Court Reporter: Lorilee K. Fink, RPR-CRR
1005 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

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1 (September 10, 2005, 11:00 a.m.)

2 THE COURT: This is what we now call In Re:
3 Mirapex Litigation. Have I got that name correct?
4 Let's get everybody's appearance on the record. For
5 the plaintiffs.

6 MS. SUTTON: Tara Sutton and Gary Wilson on
7 behalf of plaintiffs.

8 MR. BROWN: Good morning, Your Honor,
9 Michael Brown on behalf of defendants, Pfizer, Inc.,
10 Pharmacia Corporation, and Pharmacia and Upjohn, LLC.

11 MR. SMITH: Your Honor, Scott Smith and Beth
12 Rose for defendant, BIBI.

13 MR. PRICE: Your Honor, Joe Price, Faegre &
14 Benson, for the Pfizer defendants.

15 THE COURT: Anybody else? Okay.
16 We're here on the plaintiff's motion to
17 amend the complaint to add a claim for punitive
18 damages. Ms. Sutton.

19 MS. SUTTON: Good morning, Your Honor. May
20 it please the Court. Before the Court is plaintiff's
21 motion to amend the complaints in the first 15 cases;
22 they are known as the Selinsky cases to assert a claim
23 for punitive damages.

24 The issue at this phase -- we're in the
25 amendment phase, and it's whether plaintiffs are

1 entitled to assert a claim for punitive damages and
2 whether or not the Court should permit the plaintiffs
3 to present the evidence on punitive damages to the
4 fact finder for determination.

5 The motion is governed by the amendment
6 procedure that's set forth in Minnesota Statute
7 Section 549.191. And the defendants agree in their
8 brief with the plaintiffs that that statute is a
9 procedural statute. And under Minnesota Conflicts of
10 Law Analysis, the procedure of the forum is to apply.

11 So it's our position that that is the
12 statute that governs this motion with respect to all
13 15 cases, because there are 12 cases in the Selinsky
14 cases that are from out of state.

15 I'll get into more detail in the argument
16 about defendant's claim that the Court should be
17 considering the substantive law of punitive damages of
18 the 12 out-of-state plaintiffs.

19 It's plaintiff's position that that's a
20 question whether or not we are entitled to punitive
21 damages. And we're not at that phase yet, we're just
22 at the amendment phase. But in any event, with
23 respect to most of the states with the exception of
24 two, there's really no substantive issues before
25 Minnesota law in the other states, so Minnesota law

1 would apply.

2 The Minnesota courts have found that the
3 standard for punitive damages is met if you can show
4 that a manufacturer has abused control over safety
5 information or they have made misrepresentations about
6 the safety of their product or they have used labeling
7 that underestimates the risks of their product.

8 Plaintiffs have presented evidence in their
9 brief and in the hundreds of exhibits that we have
10 attached that not just one, but each of these types of
11 conduct plus more is present here. From the day --
12 from the early days of Mirapex's drug development --

13 THE COURT: Let me make sure I'm following
14 the argument. You're not suggesting that the standard
15 is different in those situations, you're saying that
16 each of those three way -- each of those things that
17 you described are ways in which parties have
18 demonstrated the deliberate disregard that the statute
19 requires?

20 MS. SUTTON: Correct.

21 THE COURT: All right.

22 MS. SUTTON: And those cases are discussed
23 on pages 43 and 44 of our brief. And in some of those
24 cases, the Court has considered it sufficient evidence
25 to allow amendment of the pleadings to assert punitive

1 damages. In other instances, this type of evidence is
2 found to justify a jury's finding of punitive damages.

3 From the very early days of this drug
4 development, defendants were aware that it would
5 activate the area of the brain that was associated
6 with motivation and reward. But what did they do?
7 They basically did nothing. They failed to conduct
8 adequate preclinical testing and then they put the
9 drug into human clinical testing and they never even
10 monitored for compulsive behaviors. But nonetheless,
11 during the clinical trials, there were numerous
12 reports of compulsive behaviors, including specific
13 reports of gambling; someone who had a gambling
14 addiction so severe, they tried to kill themselves
15 while on Mirapex.

16 But what did they do with that information?
17 They didn't change their labeling, they didn't apprise
18 their clinical investigators, hey, be on the lookout
19 for this behavior. And then after the drug is on the
20 market, they continue to get reports. In the first
21 published report they get of Mirapex being associated
22 with gambling, what do they do? They void it from
23 their safety database; they don't report it to the
24 FDA. In fact, the evidence shows that it took them
25 more than seven years after Mirapex was approved to

1 make any changes to their product label and then they
2 buried the information.

3 They continue to deny causation in this
4 courtroom, they deny causation to the public, even
5 though internally their top doctors concluded years
6 ago, that there was sufficient evidence for causation,
7 they've withheld that conclusion in that report from
8 the FDA, and now they're trying to hide behind what
9 the FDA is saying.

10 I'm going to address each of these points in
11 more detail, but we believe that all of this sets
12 forth sufficient evidence to meet the prima facie
13 standard of clear-and-convincing evidence that we're
14 required to show at this phase.

15 From the very early stages of the drug
16 development, it was no surprise to defendants that
17 Mirapex could induce compulsive behaviors, in fact, it
18 was expected. Mirapex was designed to target D3
19 receptors, and these are dopamine receptors in the
20 brain. It was a unique compound, a compound that no
21 other company had come up with yet, because of the
22 fact that it activated the D3 receptor.

23 What is the significance of D3? Well, as
24 this internal document from 1994 from defendant says,
25 is that the D3 receptor is predominantly distributed

1 in the mesolimbic dopamine system, which is an area of
2 the brain associated with reward and motivation.

3 It's been known since the 1980s that if
4 activate this mesolimbic pathway, you encourage
5 individuals to engage in behaviors that provide
6 reward, such as food, sex, money, or ingesting drugs
7 or alcohol. The pleasure that an individual feels
8 from these rewards is reinforcing, meaning that you
9 are going to want to do it again.

10 If the mesolimbic system is overactivated
11 you can trigger an abnormal desire to seek these
12 rewards, which in everyday life, translates into
13 people engaging in compulsive eating, compulsive
14 gambling, compulsive sex or in some cases, nicotine or
15 alcohol or drug dependence.

16 In this connection between overactivation of
17 the mesolimbic dopamine system was well known to the
18 defendants and it was well known in the literature.
19 And we've cited evidence dating back to 1994 that
20 implicates the mesolimbic system in compulsive
21 behaviors, including pathological gambling.

22 This isn't a -- the defendants know this and
23 they try to claim in their brief that the role of the
24 mesolimbic system was very complex and wasn't widely
25 known at the time they were developing Mirapex. But

1 we got a report from one of their experts last week,
2 Dr. Grant, who's a psychiatrist at the University of
3 Minnesota. And he writes in page 11 of his report,
4 that since 1980s, evidence has supported the role of
5 the mesocortical limbic system in the mediation of
6 reinforcing behaviors and rewards. So it was known to
7 experts in the field what could happen if you trigger
8 this system.

9 And when we took the deposition of
10 Dr. Gordon, he was the pharmacology designee from
11 BIPI, he said defendants knew from the very beginning
12 that Mirapex could reinforce behaviors that seek
13 pleasure. So, what did they do even though they knew
14 the unique quality of Mirapex was to reinforce unique
15 pleasure-seeking behaviors? Well, they basically did
16 nothing; they abdicated their responsibility. They
17 never undertook to ask in the clinical trials whether
18 or not anybody was suffering from compulsive
19 behaviors. They've admitted that. They said they
20 never monitored for the behavior in their clinical
21 trials. They didn't adequately test whether Mirapex
22 could induce these behaviors.

23 In their brief, they say that there was a
24 rat study that they did. And that's Exhibit N to
25 their brief. It's a single rat study.

1 And I would encourage the Court to take a
2 look at Exhibit N, because it's actually supportive of
3 plaintiff's position. If you look at page 5 of the
4 rat study, it says in this study they took rats who
5 were cocaine addicted and they made Mirapex available
6 to them. And what they found across all of the
7 animals was, quote, a highly significant treatment
8 affect. Meaning that Mirapex made the rats work
9 harder to get their reward, their reward of cocaine.

10 This is exactly the contention that
11 plaintiffs make in this litigation, that when you
12 receive Mirapex, it increases your motivation to seek
13 reward, and that can lead internally to compulsive
14 reward seeking.

15 We also -- this was the end of their
16 internal research from what we can tell. And this is
17 the only research that they can point to that they did
18 into this potential side effect. They also took steps
19 to suppress any efforts by outside researchers to look
20 into whether or not a D3 specific agonist like Mirapex
21 could cause behavioral problems. They got a request
22 from Dr. Torben Kling. He wanted to test Mirapex in
23 what's called an intracranial self-stimulation model.

24 We got -- interestingly enough, we got
25 another report from defendants last week from their

1 long-time consultant, and now expert in this case,
2 James Bennett. And on page 10 of his report, he says
3 if you want to figure out if a substance activates
4 mesolimbic system and causes somebody to engage in
5 rewarding behavior in an abusive manner, this is the
6 kind of test you want to run.

7 But what did they do, they agreed jointly,
8 both BI and Pharmacia, not to give the substance to
9 their researchers. And this is a document that we got
10 from the German production. This was a document that
11 was secreted to Europe, but we were able to get in
12 this litigation.

13 They say -- to explain this document, they
14 say, well, the hypothesis of the study, the researcher
15 wanted to look and see whether or not Mirapex dampened
16 the reward -- the reward system. But they knew at
17 this time, and as Dr. Gordon admitted, it would
18 motivate people to seek pleasure. So it's perfectly
19 understandable at this point if they don't want it
20 implicated in the reward system, they wouldn't have
21 given it to this researcher. That's exactly what
22 happened.

23 Even though the defendants failed to monitor
24 specifically for compulsive behaviors in the clinical
25 trials, they received numerous reports. And we've

1 been able to piece together, just by looking at
2 various reports, that there were at least 11 cases of
3 compulsive behaviors in the clinical trial. Five of
4 those 11 were people who engaged in gambling, and one
5 of them is a person I mentioned who tried to kill
6 herself because of her gambling problem.

7 The defendants, on the other hand, we
8 haven't heard from them on what the final word on the
9 number of cases is. They have the safety databases at
10 their access. But all they've done is limited
11 searching, across limited fields and limited studies.
12 So there's at least 11, and there's probably more.

13 What's the significance of this? Well,
14 there were 11 cases in the clinical trials. And when
15 they heard about it during the clinicals, there was
16 complete silence from the company. They never changed
17 their label, they never apprised the clinical
18 investigators to be on the lookout for this. And just
19 contrast to this to what happened --

20 THE COURT: How many -- what was the sample
21 size of the study?

22 MS. SUTTON: Several thousand.

23 But an example -- just to show you that 11
24 cases was significant, they did have one report during
25 the clinical trials that somebody that suffered from

1 rhabdomyolysis, which is a condition that can injure
2 the kidneys. If you can take -- usually if you can
3 take the medication away, the condition reverses, much
4 like you take Mirapex away, the gambling condition
5 will reverse. When they got that single case, they
6 put it in their labeling information, they put it in
7 the precaution section. They reported a single case
8 in a clinical trial was sufficient enough to get it in
9 the labeling. 11 times more cases of compulsive
10 behaviors, nothing.

11 So the drug, then, is launched in the U. S.
12 market in late 1997. And they continue, after the
13 drug is marketed, to get post-marketing accounts of
14 compulsive behavior. And, in fact, in 2000, there
15 were two researchers out of Arizona, their names
16 Doctors Stacy and Samanta, they had it published --
17 presented a poster and then published an abstract of
18 seven patients who suffered from pathological gambling
19 while on Mirapex. The researchers reported that the
20 gambling was severe enough to cause financial
21 hardship.

22 Well, this report, Pharmacia admits they
23 received it in August of 2000; BIPI claims they got it
24 sometime later. But what happened? Pharmacia took
25 the report, they entered it in their safety database

1 and then they immediately voided it. And that's the
2 testimony of their witnesses, that it was voided,
3 which meant they couldn't find it in their safety
4 database anymore, and then they didn't have to report
5 it to the FDA. And they didn't tell the FDA in
6 August, 2000. Here they're claiming that Stacy has no
7 relevance whatsoever to this litigation.

8 But three years later, Stacy reported these
9 same seven patients in a journal and then he added an
10 additional patient and also an account that somebody
11 had tried to kill themselves because of Mirapex
12 gambling. And what did they do in 2003? They then
13 immediately reported it on a 15-day basis as a severe
14 adverse event. But in 2000, they determined that it
15 wasn't serious. But, in fact, it really was, because
16 three years later they deemed it was.

17 And why did they not act in 2000? It may
18 have had something to do with what happened to them in
19 1999. There was a case report of a similar eight
20 patients on Mirapex who had a sleep attack while
21 taking Mirapex. They advised the FDA and the FDA made
22 them put a bolded warning on their label. They made
23 them send a "Dear Doctor" letter.

24 In 2000 when they don't report it to the
25 FDA, there's no signal, they're able to hide any

1 signal from the FDA and this case report. So there's
2 no labeling action that's required.

3 THE COURT: Was there any impact on sales
4 that you're aware of from the '99 sleep disorder
5 report?

6 MS. SUTTON: You know, I'm not aware of
7 that. We haven't gotten all of the numerical
8 information concerning their sales because Your Honor
9 denied our motion to compel on that matter until we
10 established a claim for punitive damages. But I
11 certainly think that it's probably fair to say that if
12 a label -- at the time in 2000, none of the other
13 dopamine agonists had any labeling pertaining to
14 gambling. To add gambling to their label would have
15 been an additional side effect that wasn't present for
16 any other of the Parkinson's medications, and it
17 probably could have had a market impact on them, and
18 may have been part of the reason they didn't tell the
19 FDA about it.

20 It takes basically until 2004 for the
21 companies to do some internal assessment of the
22 gambling issue with respect to Mirapex. In 2004, the
23 top medical officers in charge of Mirapex worldwide,
24 they were Doctors Zerban and Degner. They were
25 charged to draft what's known as the Clinical Expert's

1 Statement, that's the title of the document, it's
2 Exhibit 82. We've cited it to Your Honor before.

3 And in this report, they go through and they
4 look at -- they analyze the reported adverse events of
5 gambling on Mirapex. And when they do this, they
6 don't even have all of the data, they don't have the
7 five gamblers from the clinical trials, they only know
8 of one gambler. So they do it on incomplete data.

9 But even with the incomplete data, they
10 found the clear, pharmacodynamic effect of
11 pramipexole -- and that's the chemical name for
12 Mirapex -- on pathological gambling. And then they
13 look at this data that's called D challenge data. And
14 what D challenge data is, if you're on the drug and
15 then they take the drug away and if the symptoms go
16 away, it's called a positive D challenge; if the
17 symptoms don't go away, it's called a negative D
18 challenge. And what they found, is that there's
19 mostly a positive D challenge. If you take Mirapex
20 away, the gambling problem resolves.

21 And most of the defendant's witnesses, and
22 we cite them all in our deposition, have admitted that
23 D challenge data can be evidence of causation.

24 And they -- they again relied on this
25 evidence to find that there was a strong effect of

1 pramipexole on gambling. And then they made a
2 recommendation that there needed to be a change in the
3 worldwide labeling for pramipexole. And they said, we
4 need to say that gambling is a side effect, and we
5 also need to tell people that the condition of
6 gambling can improve if the drug is discontinued.

7 So, this -- Boehringer Ingelheim keeps
8 what's known as a core data sheet. And all drug
9 companies keep these core data sheets. And it's
10 basically all of the information about the drug and
11 what should be in the labeling of the drug or the drug
12 worldwide. And the information is added to the core
13 data sheet for Mirapex.

14 Now BIPI is saying that was a core data
15 sheet for BI Germany, has nothing to do with us. But
16 that's not true, because their company policy says
17 that the company core data sheet is a reflection of
18 the full knowledge of the BI company.

19 So it's our position that this is an
20 admission that in 2004, that gambling was a side
21 effect of Mirapex. And what does a side effect mean?
22 And this is really crucial for this motion. The
23 company operating procedure says, that you cannot list
24 something as a side effect on the labeling or the core
25 data sheet unless there is sufficient evidence of a

1 causal relationship.

2 So, pathological gambling being listed in
3 the side effects means that in 2004, they determined
4 that there was sufficient evidence of causation. So
5 this goes out to all of the operating companies,
6 including BIPI, and they are given instructions to add
7 this kind of information to their label.

8 Well, what do they do? They submit a
9 labeling change to the FDA in November of 2004, and at
10 this time both Pfizer and BIPI are jointly marketing
11 this drug in the U. S. They submit a labeling change
12 in the fall of 2004. It doesn't get to the physicians
13 and the Physician's Desk Reference, the PDR until June
14 of 2005; it doesn't get distributed to them until much
15 later.

16 What they do, here's all of the information
17 that they add to the label (indicating). You can see
18 it's way far down in the label. They just put it in
19 the post-marketing experience. It's the barest
20 mention of gambling. And the post-marketing
21 experience section of the label is known in the drug
22 industry as being the Siberia of the label.

23 If they had put in the information that it
24 was recommended in the core data sheet, it would have
25 had to have had a much more prominent place on the

1 label.

2 Instead, this is all that BIPI did, and they
3 said, well, we didn't think the data supported the
4 conclusions of the company.

5 But in March of 2006, they made another
6 label change to Mirapex. And this time they
7 heightened the pathological gambling information to
8 the precaution section. It's still not in the warning
9 section. They tell the physicians, if you discontinue
10 the treatment, the condition is reversible. So you
11 can see there's more information on the label. But it
12 takes them more than a year from when it's recommended
13 in Europe to do it here in the U. S., disregarding
14 what we believe is the rights of the patients to know,
15 if you have this problem on this drug, get off of it,
16 it's going to go away.

17 The Clinical Expert Statement that we rely
18 so heavily upon isn't the only internal admission of
19 causation. These documents are all set forth in our
20 brief. They've been admitting the mechanism by which
21 Mirapex can cause gambling, and that there's causation
22 for years. Pfizer in 2003 said that gambling while on
23 Mirapex seems to fit within the dopaminergic model of
24 OCD, obsessive/compulsive disorder, and the novelty
25 reward model of dopamine. These two statements are

1 from the Degner statement .

2 BIPI says that the -- in 2004, the
3 conclusions about causation aren't surprising
4 considering how the drug acts. BI, when they learned
5 that BIPI was telling the public that there wasn't a
6 causal relationship, became quite alarmed. They write
7 to them, they say, we do have an indication for a
8 causal relationship and told BIPI to knock it off.

9 BI, again, another document saying gambling
10 is a side effect. Again, as recently as 2006, they've
11 found that there is evidence for a causal relationship
12 between abnormal behaviors and Mirapex.

13 But despite the internal recognitions of
14 causation, they've kept up a public relations campaign
15 of misrepresenting their internal knowledge. They do
16 it both in this courtroom and to the public.

17 November 2004, for instance, they told a CBS
18 outlet that there were no cases of compulsive behavior
19 in the clinical trials. They don't take that -- even
20 in this litigation now, they don't take that position,
21 they don't dispute the fact that we've found 11 cases
22 of compulsive behavior in the clinical trials.

23 They said on NBC in February of 2005, that
24 there was no scientific evidence of a causal effect.
25 This is after they have the Degner report concluding

1 sufficient evidence of causation exists.

2 And they've continued -- we've taken
3 depositions in this case where they still continue to
4 deny that there's evidence of a causal association in
5 this litigation.

6 And I just got -- I looked at my U.S.A.
7 Today when I was travelling a couple of weeks ago, and
8 they are quoted in the U.S.A Today saying that there
9 isn't conclusive evidence of causation. So this
10 campaign to misrepresent their knowledge about the
11 affects of Mirapex continues to this day.

12 And now I want to spend some time addressing
13 the October, 2006 FDA letter, because it's on the
14 first page of their brief, and they have kind of made
15 it the hallmark of their response to our motion.

16 And the letter from the FDA says that based
17 on the available data -- the data that's available to
18 them, they said that the available data doesn't
19 support proof of a cause-and-effect relationship. But
20 Judge Rosenbaum has looked at similar claims by drugs
21 companies to hide behind the FDA and he's rejected
22 this kind of tact, and the reason is very simple. He
23 says the FDA has only a limited role in independently
24 obtaining information about the safety of products;
25 that that information is within the hands of the

1 manufacturer. And they're the ones with the duty to
2 fully disclose the information.

3 And, in fact, in this October 2006 FDA
4 letter, it goes on to say in a part they don't quote.
5 The letter asks BIPI, give us all of your research on
6 Mirapex and gambling, give us everything.

7 What did they do? They didn't give them
8 everything. They haven't given them the Degner
9 Clinical Expert Statement concluding causation. They
10 haven't shown them all of the other documents where
11 they've concluded that there's sufficient evidence for
12 a causal relationship. They also have failed to
13 disclose to the FDA all of the clinical trial cases
14 they knew about of gambling. They admit in their
15 brief that there were three cases of gambling that
16 they never told the FDA about. They told the FDA
17 about two cases. So there actually were two and a
18 half times higher number of cases in the clinical
19 trials than they told the FDA about.

20 Moreover, the FDA expressly made its
21 conclusion and said it was just doing it on the
22 information that was available to us. As Judge
23 Rosenbaum has recognized, as oftentimes happens, the
24 FDA doesn't have all of the information.

25 But, in any event, there doesn't have to be

1 proof of a causal relationship in order for a drug
2 manufacturer to have a duty to warn its consumers.
3 The FDA regulations are very clear on this. And this
4 is regulation 201.57. And it specifically provides
5 that a manufacturer has a duty to warn, as soon as
6 there is reasonable evidence of an association, and
7 explicitly rejects defendants argument that you need
8 to have definitive evidence of a causal relationship.
9 It says a causal relationship need not have been
10 proven -- proved.

11 And one other point they make in their brief
12 is, they say everyone has looked at this, including
13 the FDA has rejected causal -- a causal association.
14 That's not the case at all. In fact, every single
15 piece of medical literature -- and it's all in our
16 brief -- every single medical literature -- piece of
17 literature has found that there is an association
18 between Mirapex and gambling.

19 There's the September 2005 report from the
20 Mayo. It says the relationship of pathological
21 gambling to dopamine agonist therapy is striking and
22 there's a particularly strong role for Mirapex.

23 There's a September 2006 study of 388
24 patients from Europe. And it says that the patients
25 on Mirapex had a pathological gambling rate 25 times

1 higher than what you see in the general population.

2 The study from Valerie Voun in Canada,
3 August of 2007, says there's a dose response
4 relationship between Mirapex and pathological
5 gambling; another thing you look at for causation.

6 And then just a few weeks ago there was a
7 new study published, August of 2007, by consultants of
8 BIPI, and they found that there was a tripling of the
9 risk of engaging in impulsive behaviors while on
10 Mirapex. Not even a doubling, but a tripling of the
11 risk. So, really we're down to that their only
12 criticism of the data, is that there hasn't been a
13 controlled epidemiological study.

14 But the 8th Circuit, as Your Honor is
15 probably aware in the Bonner decision said, you don't
16 need epidemiology to prove causation -- legal
17 causation.

18 In any event, defendants own experts and
19 what's more damning for them, their expert consultants
20 have been asking them, begging them, each time they
21 get together, you need to run a controlled study.
22 They started asking them to run a controlled study in
23 2003. What did they do? They drug their heels for
24 year after year. They didn't even get a protocol
25 together to run a study until 2006. That study isn't

1 going to be completed until 2009. Again, more
2 evidence of their deliberate disregard for this issue
3 and concerns for their patients that suffer from
4 pathological gambling.

5 I'll quickly turn to the law, because
6 plaintiffs submit that these facts are more than
7 sufficient to establish a prima facie case of
8 clear-and-convincing evidence and to allow this
9 evidence to go forth to the jury.

10 Defendant's claim that the law of punitive
11 damages of each plaintiff's home state should govern
12 the motion. And we both have attached charts for Your
13 Honor that set out the differences in the law. But
14 their whole argument is premised on the notion that we
15 are seeking from you entitlement or an award of
16 punitive damages. But we're not at that phase yet,
17 we're at the procedural phase of just amending our
18 complaint.

19 THE COURT: And how does this work I guess
20 procedurally? Let's assume I grant the motion and you
21 get to allege it and you now have a complaint that
22 alleges punitive damages and you get a case where the
23 state law, which I assume at some point you agree does
24 apply or --

25 MS. SUTTON: I think to the substantive

1 claim of entitlement to privilege -- to punitive
2 damages, then there's going to be a conflict of laws
3 analysis that has to be done; do you apply Minnesota
4 law or do you apply the law of the underlying states?
5 If there's no difference, and we submit that in about
6 11 of the states, the language is basically identical
7 to Minnesota's language on the clear-and-convincing
8 evidence and willful disregard; that at that phase,
9 you can apply the Minnesota law because there's no
10 conflict.

11 For a few of the other states, there's some
12 minor differences, but we again think that the
13 Minnesota law --

14 THE COURT: Is there any state that
15 prohibits punitive damages outright?

16 MS. SUTTON: Right.

17 THE COURT: And how do you deal with that
18 state?

19 MS. SUTTON: There are two states. The
20 states are Louisiana and Massachusetts. It affects
21 two cases; Thad Fayard's case is from Louisiana.
22 Manny Quintela's case is from Massachusetts. We would
23 suggest that -- and when you do your conflict of law
24 analysis, and what we would argue is that Minnesota
25 law should apply to those claims to allow punitive

1 damages to go forward under the better rule of law
2 prong on the choice of law analysis; where Minnesota
3 has a long-standing interest in providing relief
4 from -- from when they've been -- when people have
5 been injured, whereas they would be barred from that
6 in their home states, and also Minnesota interests in
7 deterring tortious conduct.

8 But if the Court would consider -- does
9 consider these to be -- to block the claims of
10 punitive damages, I think then we would be able to
11 proceed in the 13 states that don't have the bar, in
12 those two states we wouldn't proceed. But we don't
13 think we're at that point yet, because we're at this
14 procedure stage of just amending the complaint --

15 THE COURT: All right.

16 MS. SUTTON: -- and this could be dealt with
17 on summary judgment.

18 THE COURT: Thank you.

19 MR. SMITH: Your Honor, we're going to
20 divide it up and Mr. Brown is going to go first for
21 Pfizer and I'll go for BIPI.

22 THE COURT: Okay.

23 MS. SUTTON: Do you want me to move those
24 for you?

25 MR. BROWN: I can move them for you. I'm

1 also just going to hand some handouts to the clerk
2 here.

3 MS. SUTTON: I don't want to be in your way.

4 THE COURT: Mr. Brown.

5 MR. BROWN: Good morning, Your Honor. As I
6 indicated at the outset, I represent three separate
7 companies, Pfizer, Inc., Pharmacia and Upjohn LLC, and
8 Pharmacia Corporation, each of which had differing
9 responsibilities with respect to Mirapex over various
10 periods of time.

11 And as Mr. Smith said, he's going to talk
12 about the roles and responsibilities that Boehringer
13 Ingelheim Pharmaceuticals, Inc. had.

14 Before responding to the specifics of
15 Ms. Sutton's comments, I think some context is
16 important, especially when dealing with a motion to
17 amend the complaint to add punitive damages, which I
18 think everyone agrees is an extraordinary remedy
19 reserved only for the most egregious of cases.

20 The context I'd like to talk about is number
21 one, this drug, unlike many drugs that are the subject
22 of MDL litigation, remains on the market and remains
23 one of the most effective treatments for a very
24 terrible disease, Parkinsons. And in litigations when
25 the drugs are withdrawn from the market, plaintiff's

1 counsels embrace the FDA's role in drug oversight.

2 But somehow today when the drug remains on the market,
3 they're not quite as effective.

4 Again, just last November in 2006, more than
5 a decade after the plaintiff suggests that everybody
6 knew everything about all of the alleged problems this
7 drug could cause, the FDA again determined that this
8 drug was both safe and effective. And as Ms. Sutton
9 said in October of last year, having received not only
10 all of the published literature, all of the reports
11 and the FDA database, and all of the information that
12 they asked for and received from the companies,
13 determined that there was insufficient evidence of a
14 causal connection.

15 Now, plaintiffs today are suggesting that
16 it's really just a question of association, but part
17 of the big trump card has been that there has been
18 allegations in the press from the company saying there
19 was no causal connection, and Mr. Smith will talk more
20 about that.

21 Now, whether the FDA is right that there
22 isn't a causal connection, or whether the 20 expert
23 reports that were delivered last Tuesday to
24 Ms. Sutton's office where the experts say there was no
25 causal connection and this information wasn't known,

1 whether they are right, I agree is something left for
2 another day. But, however, Ms. Sutton indicated that
3 Dr. Grant and Dr. Bennett had something to say on it,
4 I would be happy to have the Court review Dr. Grant
5 and Dr. Bennett's report when ruling on this motion.

6 But again, I think for contextual purposes,
7 when we're talking about whether this is one of those
8 egregious cases in which an extraordinary remedy
9 should be allowed, I think the context I just provided
10 suggests it's not.

11 Let me -- there are a number of factual and
12 legal problems with the motion. Let me focus on the
13 factual part first. Again, I'm going to focus more on
14 those of the Pfizer defendants.

15 In looking at the timeline that I provided
16 Your Honor, May 4th, 1990 -- actually, this involves
17 BIPI and not any of the Pfizer defendants, but the
18 plaintiffs have suggested that even at this very
19 beginning stage, what they call the IND stage, the
20 investigational new drug application stage, somehow
21 the company is involved in conduct that would warrant
22 this extraordinary remedy of punitive damages.

23 As the title says, this was the
24 investigational stage of the drug. There were no
25 answers at that point in time. The risk benefit

1 profile had not been determined and, of course, the
2 drug had not yet been approved by the FDA as safe and
3 effective. So to suggest that somehow something that
4 was done back in the 1990 to '93 period, results in
5 deliberate disregard or otherwise warrants punitive
6 damages, frankly, is specious.

7 Second, with respect to the clinical trials
8 --

9 THE COURT: Let me make sure I'm following
10 now. As I understood their argument, it's not that
11 it's something you did in 1990 that warrants punitive
12 damages, it's what you knew in 1990, and based on that
13 knowledge, what you did in the years following.
14 That's the argument, isn't it?

15 MR. BROWN: Well, right. The argument is
16 that -- exactly, that somehow something we either did
17 or didn't do, based on information during this
18 investigational stage. Again, the investigational new
19 drug application and that entire process is completely
20 regulated by the FDA.

21 So, again, at that point in time, people are
22 -- even the companies when submitting an application
23 are saying, we don't have all of the answers, we don't
24 know all of the issues at this point in time, that's
25 why they call it an investigational new drug

1 application.

2 With respect to the human clinical trials, I
3 think everyone agrees also that those two are the
4 exploratory phase, they are completely regulated by
5 the FDA and, frankly, the plaintiffs just have their
6 facts wrong again.

7 Today I've heard about 11 patients. In
8 their brief, they're focusing on 18 patients of
9 compulsive behavior. If you look closely, only five
10 of which reported gambling, only one of which under
11 the clinical trial regulatory definition standards,
12 again, dictated by FDA, was it deemed by the
13 independent investigator, not the companies, to be
14 deemed serious.

15 The fact of the matter is, whether it's five
16 or whether it's seven, or whether it's 11 or 18,
17 frankly, doesn't really matter, because at the end of
18 the day, once the FDA reviews all of the clinical
19 trial data, they make a determination about whether or
20 not, from a risk benefit standpoint, this drug is safe
21 enough to go to the next step and ultimately be
22 approved.

23 I want to talk next about what we'll call
24 the Stacy abstract from 2000, where Dr. Stacy and
25 Dr. Samanta first reported on case -- eight patients

1 that they had involving pathological gambling. This
2 -- plaintiffs are suggesting that somehow that because
3 of this two-paragraph poster that was presented in a
4 conference in Spain, that this rises to the level of
5 punitive damages, is simply beyond the pail.

6 The fact of the matter is, for months
7 plaintiffs are suggesting that Pharmacia, which was a
8 sponsor of the conference, somehow just missed the
9 abstract. That's not true. It was forwarded to the
10 Drug Safety Department, it was evaluated, and under
11 regulatory criteria for determining whether or not
12 it's a, quote, a serious report to report to the FDA,
13 it was determined not to be a serious report and was,
14 therefore, voided from the database.

15 This whole idea of voiding and offering some
16 sort of conspiratorial aspect of it, there's a
17 standard operating procedure plaintiffs have, of
18 course, they don't mention it in their brief, that
19 talks about the voiding process and what the criteria
20 are for that.

21 So, it was evaluated. It was evaluated
22 again later on by BI Germany, who did a very
23 thoughtful analysis of this, and it was determined to
24 be non-serious because, number one, all the patients
25 were taking other medication including levodopa. Most

1 had other psychiatric conditions that were considered
2 confounding factors, and while the company said, this
3 is interesting and we should take a look at it, but
4 this doesn't rise to the criteria of reporting it, so.

5 Plaintiffs then suggest that had it been
6 reported, it would have sent a strong signal that
7 would have resulted in a label change. But that's
8 belied by the fact that when Dr. Stacy republished his
9 paper in more detail with tables and other
10 information, including one other patient that had a
11 death involved, when that occurred, the FDA didn't
12 require any label change at the time, and as Mr. Smith
13 is going to talk about later, when the labeling was
14 changed, and now for dopamine agonist the information
15 is on there, Mirapex was the first, it voluntarily
16 changed the label. It wasn't ordered to by the FDA.

17 And the suggestion that somehow that when
18 the label changed with respect to sleep attacks, that
19 that had something -- that's evidence of the fact that
20 we weren't afraid to have a label change if need be,
21 and no it didn't affect sales, because even today it's
22 one of the leading treatments for Parkinson's disease
23 and restless leg syndrome.

24 So the idea that somehow we were afraid to
25 have a label change or have a "Dear Doctor" letter go

1 out is simply not true. We do it on the merits.

2 The fact of the matter is, that people are
3 still debating very hotly and heavily today. As the
4 FDA said, about whether or not this drug does or
5 doesn't relate to impulse control disorders.

6 And the suggestion that Pfizer made an
7 admission, it was on the list that it's -- it's
8 similar to a model of OCD. Well, now the prevailing
9 school of thought is, that it isn't even an
10 obsessive/compulsive disorder, it's an impulse control
11 disorder, which people think is different.

12 What they didn't say, was the person that
13 wrote that e-mail that made its way up on the slide,
14 explained it in full detail; that he was in no way
15 admitting causation and he was asked the question
16 directly. Do you think Mirapex causes pathological
17 gambling? And he said no. So this idea that you take
18 a phrase out of an e-mail and somehow that that's an
19 internal admission, simply isn't the case.

20 But I think importantly, again, if you look
21 at what did happen in August of 2003, and as of that
22 point in time when they say everybody knew everything,
23 as of August of 2003, the only patients in the
24 published literature that had reports of Mirapex and
25 pathological gambling were Dr. Stacy's eight patients.

1 Before that, there were a handful of other reports,
2 none of which the patients were on Mirapex. So this
3 idea that everybody knew back in 2000, or even back in
4 the 80s and 90s, is simply not belied by the record.

5 So in August of 2003, what plaintiffs don't
6 put in their brief is what Pfizer actually did to
7 investigate. Number one, it reported the reports
8 pursuant to the FDA regulations.

9 Number two, it conducted a worldwide
10 literature search and, again, found that only
11 Dr. Stacy's patients were the ones that had been on
12 Mirapex and had any evidence of pathological gambling.
13 And Dr. Stacy himself said in his reports, the
14 incidents of pathological gambling in his patients was
15 1.5 percent, compared to the general incidents of
16 pathological gambling of 1.3. What do you make of
17 that? They're almost the same. Does that mean
18 somehow somebody is hiding something or suppressing
19 something?

20 The other thing Pfizer did, it called
21 Dr. Stacy directly. It wasn't trying to hide
22 anything, sweep it under the rug, it reached out to
23 other experts and created expert panels to come in and
24 talk about it, of which there was very robust debate
25 about the whole thing. It prepared a written medical

1 response to the whole thing.

2 So, this is not the type of conduct that
3 relates or suggests that the extraordinary remedy of
4 punitive damages should be rewarded.

5 Lastly -- and Mr. Smith will talk about the
6 expert report from BI Germany, an entity that is not a
7 party to this litigation. But, again, from a factual
8 standpoint, this is not the type of activity that
9 warrants this extraordinary remedy.

10 So let me switch over to the legal issues
11 for just a second. There were a host of problems with
12 this. Number one, Mr. Smith is going to talk about
13 what the standard is under Minnesota's practice but
14 the choice of law issues are present and they're just
15 glossed over. We have 11 different state's laws at
16 issue here. Again, this isn't the first time the
17 courts have been faced with this challenge. The
18 Baycol MDL, the Guidant MDL. Not unexpected, we have
19 a lot of people from other states other than
20 Minnesota.

21 And Judge Davis, in his opinion, when
22 talking about punitive damages, albeit in the class
23 certification context said, the law of the state where
24 the plaintiff resides is what's going to go. Again,
25 Minnesota has no other connection on the punitive

1 damage side.

2 Again, here, as it relates to the Fayard and
3 Quintela case, the motion clearly should be denied
4 because there is no remedy of punitive damages under
5 law of those particular states.

6 THE COURT: Why is the law of the
7 plaintiff's residence apply as opposed to the law of
8 the defendants?

9 MR. BROWN: Because that's most closely --
10 if you look at the choice of law analysis done in most
11 tort cases, and certainly in most drug and device
12 cases, they look to see where the alleged wrong took
13 place, and that's generally where the plaintiff's
14 reside, took the medication, and were treated. And
15 virtually all of the cases like this will have the
16 law.

17 Most recently, just a couple of months ago,
18 that issue was briefed, argued in the Guidant MDL, for
19 the first Bellwether case and Judge Frank decided that
20 California law would apply. That's what Judge Davis
21 came up with with respect to all the other Baycol
22 plaintiffs. And, frankly, those were not
23 groundbreaking rulings, they were very consistent with
24 what other courts have done, and what should be done
25 here. Again, there's really no nexus between these

1 out-of-state plaintiffs and Minnesota at all.

2 And if you look at any of those kinds of
3 cases, they determine that sub -- that punitive
4 damages are substantive, not procedural and,
5 therefore, when ruling on this motion, the Court will
6 need to go through the analysis as it relates to all
7 11 state's laws.

8 Again, I think that it's an easy exercise
9 with respect to Mr. Fayard and Mr. Quintela, because
10 those state's laws do not, period, allow punitive
11 damages in a case like this.

12 Ms. Sutton said the rest of the states are
13 all pretty similar. Well, frankly, they're not. We
14 have five states that have a cap on punitive damages.
15 That's significantly different than some of the other
16 states. Some states when dealing with an FDA approved
17 drug, like what we have here, have different rules
18 about punitive damages, and have to do with whether or
19 not information was or was not submitted to the FDA.

20 And again, you know, the center piece of
21 plaintiff's argument has been that somehow, from
22 clinical trials to other adverse event reports, that
23 we didn't provide the information to the FDA. In
24 addition to that being flatly wrong and rebutted in
25 our opposition, that's essentially saying that we

1 either obtained or continued our approval of the drug
2 based on defrauding the FDA.

3 I think even the plaintiffs would agree that
4 that type of claim is barred by the U. S. Supreme
5 Court's decision in Buckman v. Plaintiffs Legal
6 Committee and the Minnesota Court of Appeals decision
7 in Flynn v. American Home Products.

8 So, let me just wrap up that factually.
9 Again, in this heavily regulated industry, the drug is
10 still on the market as one of the leading treatments.
11 It doesn't rise to the level of deliberate disregard
12 in any respect. You add to that, the plaintiffs have
13 not even attempted to do the analysis of choice of law
14 and how this would work practically, plus the fact
15 that these are heightened standards. I don't think
16 the factual record in this case rises to the level of
17 punitive damages under any statute, but they haven't
18 even attempted to do that analysis.

19 With that, Your Honor, let me turn it over
20 to Mr. Smith, who will talk about BIPI, as well as the
21 Minnesota standard for moving to amend for punitive
22 damages.

23 THE COURT: Okay. Thank you. Mr. Smith.

24 MR. SMITH: Thank you. Your Honor, may it
25 please the Court, I have to admit I lost track of the

1 number of times that Mr. Brown said Mr. Smith would
2 cover this.

3 MR. BROWN: Just twice.

4 MR. SMITH: If I forget anything, I hope
5 someone slides me a note.

6 The Court, of course, is familiar with the
7 Minnesota law regarding punitive damages. To
8 summarize very briefly, the clear-and-convincing test
9 applies to this motion. The plaintiffs must
10 demonstrate a prima facie case that by
11 clear-and-convincing evidence, these defendants, each
12 on their own conduct, acted with a deliberate
13 disregard for the rights or the safety of others.

14 And as the courts have told us, that's
15 higher than willful indifference. And in the Emerson
16 Tool case in particular, the Court said that is a high
17 standard and is one that the Court should not rubber
18 stamp. The Court went and looked at the information
19 the plaintiffs brought before the Court to see, number
20 one, is it accurate; and number two, does that
21 information rise to the clear-and-convincing level?
22 Does it rise to the deliberate disregard level that
23 Minnesota cases say, even at this level, at this stage
24 of the proceedings, must be met.

25 Now, I do want to focus on BIPI because

1 another thing I lost track of during the presentations
2 before me, Your Honor, was the number of times that
3 Ms. Sutton made use of the pronoun they. They did
4 this, they did that, they didn't do the other. And I
5 submit to the Court that this motion has to be judged
6 on what each defendant individually knew, did or
7 didn't do. And in that regard, I'd like to pass up --
8 counsel, thank you -- a chart showing exactly what
9 BIPI's involvement with Mirapex was from 1990 when the
10 first IND was submitted to the present time. Indeed,
11 BIPI did submit the IND for Mirapex in 1990, and that
12 starts off the process.

13 Now, as it happened, the FDA did not approve
14 the IND for this drug until I think it was February of
15 1991. They placed what's called a clinical hold on
16 this drug so that the clinical process wasn't allowed
17 to begin until February of 1991.

18 But the important thing here is that as of
19 February 16, 1993 -- and there's no dispute about
20 this -- BIPI transferred the IND to the Upjohn
21 Company. At that point, Your Honor, BIPI no longer
22 had regulatory control over the development of
23 Mirapex. And that was a -- that was nearly three
24 years before Upjohn applied for the NDA. That's the
25 final approval that allows the drug to be marketed and

1 approved by the FDA. That submission was made by
2 Upjohn in December of 1995. BIPI had ceded away
3 regulatory control nearly three years before the NDA
4 application was made.

5 The importance of the 1993 date, in
6 particular to this case, is that all of the
7 information the plaintiffs complain about during the
8 clinical trials occurred well, well after that date.
9 Even if you take what they say as true -- and Mr.
10 Brown I think gave very good reasons why the Court
11 should not -- BIPI had ceded regulatory control by
12 transferring the IND, at the time those events
13 described by Ms. Sutton in 1995 and beyond --

14 THE COURT: But what's the point of that?
15 In other words, as I said to Mr. Brown, as I
16 understand the plaintiff's argument, it's not that
17 because you or -- or Upjohn or anybody did something
18 in 1990 or 1993, or failed to do something in 1990 or
19 1993 that you should have -- that they should be
20 allowed to claim punitive damages. What they're
21 saying is, stuff was learned during this period and
22 then what you did and failed to do thereafter, even
23 though you knew what was known in 1990 and 1993,
24 that's what they say constitutes the deliberate
25 disregard. Isn't that the argument or am I missing

1 it?

2 MR. SMITH: No, I think that is the argument
3 in a sense, although the time went -- when it came
4 time for BIPI to do something, that emerged in 2004.
5 And I submit not earlier, because it wasn't until 2004
6 that BIPI then reassumed regulatory control over
7 Mirapex when it acquired the NDA.

8 During that 11-year window from February of
9 1993 to January of 2004, BIPI was not in regulatory
10 control of Mirapex. It wasn't involved with the
11 reporting of adverse effects to the FDA, it wasn't
12 involved with the labeling, it wasn't involved with
13 the regulatory issues whatsoever until 2004 when it
14 resumed regulatory control over the drug.

15 And again, all of the events -- I shouldn't
16 say all, the great majority of the events -- and I'll
17 talk about the ones that alleged to have occurred in
18 2004 and after. Those events between 1993 and 2004
19 did not occur when -- at a time when BIPI had
20 regulatory control over Mirapex.

21 Now, just a couple things that the
22 plaintiffs complain of during that time frame they say
23 there was --

24 THE COURT: Let me make sure I'm following
25 your argument though.

1 MR. SMITH: Sure.

2 THE COURT: What's the -- January 1, 2004 is
3 the effective date that we're talking about when you
4 did resume effective control over regulatory
5 responsibility for Mirapex?

6 MR. SMITH: Yes.

7 THE COURT: Is it your contention that you
8 are not responsible for things that were learned prior
9 to that?

10 MR. SMITH: Let me give you an example. The
11 plaintiffs say that in 2000, they, the defendants,
12 learned of the Stacy abstract. Okay. That -- and by
13 the way, that's patently false, because the record
14 says that -- and it's clear from depositions, that
15 BIPI was not at the conference, contrary to the
16 allegation in their brief, and that BIPI did not learn
17 of that Stacy abstract until 2003.

18 Nonetheless, it is clear from the regulatory
19 scheme that's at work here, that the responsibility to
20 report adverse events to the agency during this
21 11-year window is not BIPI's.

22 THE COURT: I understand that, but on
23 January 1 of 2004 when the label is now yours,
24 correct?

25 MR. SMITH: Right, right.

1 THE COURT: Is it your contention that if
2 you say something on the label that's false or
3 fraudulent or contrary to the facts that were learned
4 between 1990 and December 31st and 2003, you're not
5 responsible?

6 MR. SMITH: Let me answer that --

7 THE COURT: Just answer that question?

8 MR. SMITH: I am saying that as of
9 January 1st, 2004, BIPI has regulatory responsibility,
10 and things that are learned, things that BIPI is or
11 should be aware of certainly go into the termination
12 of what BIPI should do going forward.

13 In point of fact, Your Honor, and the
14 evidence is clear on this, beginning in January, 2004,
15 the same month that BIPI assumed -- or reassumed
16 regulatory control over Mirapex, it put into the works
17 that same month, a group to investigate whether or not
18 there needed to be a labeling change to Mirapex. All
19 right. That started the same month BIPI assumed
20 regulatory control.

21 THE COURT: And is it your -- let me make
22 sure I got it. It's not your contention, then, that
23 everything that was learned from May 14th, 1990 to
24 December 31st of 2003 didn't happen or you're not
25 responsible for knowing about it? Is that a correct

1 statement?

2 MR. SMITH: I think -- I think what I'm
3 saying is this: That certainly BIPI cannot be charged
4 with deliberately disregarding the safety of users of
5 Mirapex, and that's what this motion is about.

6 THE COURT: Let me just give you this
7 example to make sure, because --

8 MR. SMITH: All right.

9 THE COURT: -- I think the question I'm
10 asking is simpler than the one you're trying to
11 answer.

12 MR. SMITH: Okay, that's happened before.

13 THE COURT: Let's assume that sometime
14 between May 14th of 1990 and December 31st of 2003,
15 that 88 percent of the people who take the drug die.
16 Okay?

17 MR. SMITH: Okay.

18 THE COURT: January 1 of 2004, you become
19 responsible for the label. Is it your contention that
20 if you say on that date, gee, this is now my problem.
21 Let's see, I'm going to investigate whether this drug
22 is a problem and causes people to die.

23 Is it your contention -- strike that. It's
24 not your contention, I assume from the answer I think
25 I got so far, that you are not responsible for the

1 information that was generated, that 88 percent of the
2 people who took it between May 14th of 1990 and
3 December 31st of 2003 died? You would agree, would
4 you not, that when it became your responsibility,
5 you'd have to fix that label if it didn't say
6 something about that, wouldn't you?

7 MR. SMITH: With the caveat that your
8 hypothetical presents facts that are very different
9 from those before the Court in this case, I think I
10 would have to agree with the Court's position.

11 THE COURT: Okay.

12 MR. SMITH: And that is precisely, again,
13 what BIPI did. They started the label-change process
14 in January of '04. In February of '04, they submitted
15 more adverse event reporting to the FDA. Again, since
16 they held the NDA, that was now their responsibility.
17 In April of '04, we're still talking '04, they
18 convened a panel of expert scientists, world-renown
19 expert scientists to figure out, what should we do,
20 how much is here, what kind of signal are we getting
21 on pathological gambling? Is it real, what's the
22 relationship, what should we do with this? And by
23 July of 2004 -- and again, this is clear from the
24 record, it's in Plaintiff's Exhibit -- I'm sorry, it's
25 in the Defense Exhibit W and X -- BIPI had decided to

1 make a voluntary label change and had produced
2 language for that voluntary label change in July of
3 2004.

4 Now, the plaintiffs may say that wasn't fast
5 enough, you should have done more sooner; that was six
6 months. It certainly undercuts any suggestion, I
7 submit, Your Honor, of deliberate disregard on BIPI's
8 part for the safety of users of Mirapex.

9 THE COURT: Let me ask this question --

10 MR. SMITH: Sure.

11 THE COURT: -- because I'm not sure I see it
12 on any of the timelines that you submitted, and it may
13 be here. If it is, I apologize, just direct me to
14 where it is.

15 When did the FDA first approve Mirapex as
16 safe and effective and could go on the market?

17 MR. SMITH: I believe that was in 1996 or
18 1997.

19 MS. SUTTON: '97.

20 MR. SMITH: 1997, Your Honor. That was when
21 the NDA that was submitted by Upjohn in December of
22 1995 was approved by the FDA.

23 MR. BROWN: Your Honor, on our chart, we
24 actually don't have the approval, but July 2nd, 1997
25 when Pharmacia and BIPI entered into the co-promotion

1 agreement was the actually day of the approval. So
2 once approved, they started co-promoting it.

3 THE COURT: So that's the same date? The
4 co-promotion date corresponds with the FDA approval of
5 the new drug application?

6 MR. BROWN: Correct.

7 THE COURT: All right. Go ahead.

8 MR. SMITH: Just, again, to focus on what
9 BIPI did in 2004. In November of 2004, that's
10 Plaintiff's Exhibit 86, BIPI actually filed with the
11 FDA its changes being effectuated or CBE document
12 putting into motion that label change in 2004. That
13 was a voluntary act on BIPI's part. It was not
14 required to do so by the FDA or anyone else.

15 In January of '06, BIPI approved the
16 long-term study which we now know as the Dominion
17 Study. In February of '06, again voluntarily, BIPI
18 changed the label again to put the language regarding
19 pathological gambling in the precautions section of
20 the label, and also to add language regarding the fact
21 that in some patients, discontinuance of the drug led
22 to dechallenge -- that's their term, that's not the
23 term on the label -- of the event. Again, voluntary
24 on BIPI's part based upon its review of the evidence.

25 That, too, is completely and totally

1 inconsistent with a company that is acting in
2 deliberate disregard for the rights and safety of
3 others.

4 I do want to focus -- if I can take about
5 ten minutes, I'd appreciate it, Your Honor.

6 THE COURT: Take about five.

7 MR. SMITH: Okay. On the three things that
8 the plaintiffs really harp on, if you will, with
9 regard to BIPI.

10 First is the Clinical Expert's Statement.
11 This was a Clinical Expert's Statement that was done
12 by BI Germany -- BI Germany, not BIPI -- in the summer
13 of 19 -- of 2004, my error. And far from being an
14 admission by BIPI, when BIPI received this, they said
15 to Germany, we disagree, we don't think you have the
16 science right. And ultimately what came out of that,
17 was the exact language approved by Germany that went
18 into the label change in the -- in November of 2004,
19 in the CBE that was then effectuated. So, far from
20 being an admission.

21 And I would submit, Your Honor, that
22 anything that BI Germany does cannot, consistent with
23 due process, form a basis for the imposition of
24 punitive damages against BIPI.

25 The fact of the matter was, experts

1 disagreed on that and BIPI said, we think we're right,
2 and Germany agreed on the form of the label, and
3 that's what went into effect in November of 2004.

4 And if you look at --

5 THE COURT: Just again to make sure I'm
6 following everybody's argument --

7 MR. SMITH: Okay.

8 THE COURT: -- the plaintiffs are not
9 suggesting, as I understand it, that punitive damages
10 be alleged and awarded because of anything BI did,
11 it's because of what the BIPI response to the
12 information that BI gave it? BI says, gee, this is a
13 dangerous drug, you ought to do something about it.

14 What the plaintiffs are complaining about is
15 not that, but that your response to that information
16 is to say, oh, crap, that's not true.

17 That's what they're complaining about, isn't
18 it?

19 MR. SMITH: I disagree with that, Your
20 Honor. In part, they clearly are alleging punitive
21 damages based on BI Germany's conduct. For instance,
22 the 1994 discussion in their papers about this alleged
23 agreement to suppress studies on addiction. If you
24 look in the papers, that's all BI Germany, it is not
25 BIPI. None of that, not one iota of that e-mail

1 exchange was discussions involving BIPI -- involves my
2 client, BIPI.

3 Again, I submit they are seeking to impose
4 -- if that's one of their bases for punitive damages,
5 they are trying to saddle BIPI with punitive damages
6 based on BI Germany conduct, and I submit that's
7 constitutionally infirm, that cannot be done.

8 The FDA's letter of October, 2006. And if I
9 -- this is Exhibit 92 from the plaintiffs, if I may
10 hand this up.

11 THE COURT: Sure.

12 MS. SUTTON: It's important to note, Your
13 Honor, that in October of 2006, to my knowledge, FDA
14 had everything in front of it that the plaintiffs say
15 it should have had, except perhaps for these three
16 case reports that were not submitted in September of
17 2005. And I'll refer in the brief where
18 Mr. Corsico -- or Dr. Corsico explained the reasons in
19 his deposition why those three cases were not there.

20 Other than that, in 2006, to my knowledge,
21 FDA had the post-marketing reports and had the
22 published medical literature. And they say, we
23 recently completed -- from the second paragraph -- a
24 review of post-marketing reports and the published
25 medical literature.

1 The only thing in terms of post-marketing
2 reports they didn't have, to my knowledge, were those
3 three cases. If they didn't have them and the
4 published medical literature, we all had that.

5 And they say, although we feel that the
6 available information does not constitute proof of a
7 cause-and-effect relationship, we believe the evidence
8 to be sufficiently strong to warrant the patients be
9 informed.

10 Which is, in fact, exactly what BIPI did
11 months earlier both in November of 2004, and again in
12 2006, in February. So when --

13 THE COURT: You've got about a minute left.

14 MR. SMITH: Thank you. So when the
15 plaintiffs talk about this -- this willful and wanton
16 public relations scheme to deny there is a
17 cause-and-effect relationship, and when the FDA says,
18 based upon the post-marketing reports and the
19 published medical literature, we don't think there is
20 a cause-and-effect relationship between pathological
21 gambling and Mirapex, I submit, Your Honor, it cannot
22 possibly, possibly be a deliberate disregard of the
23 rights and safety of others when, in essence, the FDA
24 is agreeing with BIPI's view of the strength of the
25 causal relationship; the causal evidence that then

1 existed.

2 Your Honor, I suspect that there are many
3 things that Mr. Brown promised I'd get to that I have
4 not, I'll refer to those -- our legals in the brief.

5 THE COURT: All right. Thank you. Ms.
6 Sutton, you have about thirty seconds.

7 MS. SUTTON: I want to address very briefly
8 Mr. Smith's claim that BIPI should be absolved of any
9 obligations with respect to Mirapex prior to 2004 when
10 it became the holder of the NDA. He just must not
11 understand the FDA regulations.

12 Not only were they involved in co-promoting
13 the drug and profiting in the drug in the United
14 States for the entire period of time that's alleged in
15 the complaint, FDA regulations specifically provide
16 that the safety reporting requirements apply not only
17 to the holder of the NDA, but they also apply to
18 anybody whose name is on the drug. BIPI's name was on
19 the labeling of this drug at all relevant times. That
20 regulation is 21 C.F.R., Section 314.80.

21 Mr. Brown says that we've glossed over
22 choice of law, that we haven't dealt with it. It's
23 dealt with at pages 34 through 42 of our brief. He
24 says that you need to apply the substantive law of
25 each state. He relies on the Baycol decision. Baycol

1 is a different procedural posture than this case.

2 It was on whether or not there was an
3 entitlement to punitive damages, not whether or not it
4 could be asserted in a complaint. But if they do want
5 to take the tact that you should apply the substantive
6 law of the individual states, I will say that in a
7 number of the states at issue, you don't have to
8 assert any level of proof in order to be able to amend
9 your complaint to include punitives. In the states of
10 Georgia, New Jersey, Ohio, Pennsylvania, Texas,
11 Virginia, Wisconsin and California, you can assert
12 punitive damages in the first instance, and the motion
13 can be granted without even looking at the level of
14 proof that we have submitted today.

15 And then finally, the FDA letter that he
16 submitted to you, if you read down, it says in the
17 second to last paragraph, it asks BIPI to provide the
18 results of any research that you have performed
19 related to this issue.

20 They -- it's undisputed that they have not,
21 to this day, provided the Clinical Expert Statement
22 that concludes for the BI company worldwide, including
23 BIPI, that causation has been established.

24 MR. BROWN: May I have 30 seconds?

25 THE COURT: Only to answer my question,

1 which is this: What about on the choice of law
2 question, the last point that Ms. Sutton made, which
3 is, some states that don't require a showing of any
4 level of proof before you can allege punitive damages.
5 Why shouldn't they just be permitted to allege them as
6 to the plaintiffs who reside in those states?

7 MR. BROWN: Well, I think, Your Honor, that
8 -- and they created this situation of filing directly
9 in Minnesota, and have gone from a procedural
10 standpoint, that process to go about amending the
11 complaint, but I think when you get to whether or not
12 you then can meet the Minnesota standard about whether
13 there's prima facie evidence of clear-and-convincing
14 evidence, then the substantive law applies.

15 So, had these people filed in the state of
16 their home jurisdiction and been part of the MDL, I
17 don't think we'd be having this exercise. But they
18 didn't do it that way, they filed directly in
19 Minnesota, so I think they have to take -- use the
20 procedural mechanism. But when making the
21 determination, we then have to look at, all right,
22 well, does this state even permit it?

23 Your Honor, may I have ten seconds on one
24 other issue? And that's the Court asked about what
25 was known -- you know, what the companies are

1 responsible for from what was known back in the 90s.
2 Most of that has to do with this idea that the drug
3 was addictive.

4 Slides 2 through 7 that I provided to you --
5 again, we dealt with this issue at the motion to --

6 THE COURT: I think I got your point.

7 MR. BROWN: -- fraud --

8 THE COURT: I think I understand your point.

9 MR. BROWN: It was to treat addiction, not
10 cause --

11 THE COURT: I think I'm telling you you're
12 done.

13 MR. BROWN: - it. Thank you, Your Honor.

14 THE COURT: Thank you. We're in recess.

15 * * *

16 **C E R T I F I C A T E**

17 I, Lorilee K. Fink, certify that the foregoing
18 is a correct transcript from the record of proceedings
19 in the above-entitled matter.

20 Certified by:

21 Dated:

Lorilee K. Fink, RPR-CRR